



**CITY OF SCOTTSDALE
TOURISM DEVELOPMENT COMMISSION
REGULAR MEETING**

Tuesday, November 19, 2019

**Kiva Forum – City Hall
3939 N. Drinkwater Boulevard
Scottsdale, Arizona 85251
APPROVED MINUTES**

- PRESENT:** Linda Dillenbeck, Chairperson
Camille Hill, Vice Chair
Jeanne Alspaugh
Sherry Henry
Ken McKenzie
Richard Newman
- ABSENT:** David Winter
- STAFF:** Karen Churchard
Steve Geiogamah
Ana Lia Johnson
- GUESTS:** William “Doc” Jones, International Jazz Day AZ Foundation
Max Rumbaugh
Michael Patterson
Alfredo Molina
Rachel Sacco, President CEO, Experience Scottsdale
Patrick Gilder, CEO, Design Delegate

1. Call to Order/Roll Call

Chair Dillenbeck called the meeting of the Scottsdale Tourism Development Commission to order at 8:00 a.m., and noted the presence of a quorum.

2. Approval of Minutes

- October 15, 2019 Regular Meeting

Chair Dillenbeck provided grammatical corrections.

COMMISSIONER MCKENZIE MOVED TO APPROVE THE REGULAR MEETING MINUTES OF THE TOURISM DEVELOPMENT COMMISSION OF October 15, 2019 AS AMENDED. COMMISSIONER HENRY SECONDED THE MOTION, WHICH CARRIED 6-0 WITH CHAIR DILLENBECK, VICE CHAIR HILL, COMMISSIONERS ALSPAUGH, HENRY, MCKENZIE AND NEWMAN VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

3. Arizona Super Bowl Host Committee Sponsorship Funding – Super Bowl 2023

This item was removed from the agenda.

4. Scottsdale Jazz Festival 2020 New Event Funding Request

Steve Geiogamah noted that this a request for new event development funds for a one-year agreement of \$30,000. It is a one-day event to take place on April 4th, 2020 from 12 p.m. to 6 p.m. at the Scottsdale Civic Center Mall stage with a projected attendance of approximately 3,000.

Max Rumbaugh, past president of Scottsdale Sister Cities and the Scottsdale Rotary Club was present with several others to discuss the event. This will be the City's first International Jazz Day AZ Festival. The Festival is being organized by the International Jazz Day AZ Foundation, a 501(c)(3) organization, in partnership with Scottsdale Arts. William "Doc" Jones, is the executive director and organizer for the International Jazz Day AZ Foundation. Support has been expressed by Mayor Lane, Experience Scottsdale and Herbie Hancock.

Mr. Jones stated that the event will consist of six performance groups, including Donald Harrison, Carlos Revas and Nayo Jones. They chose April, as the Smithsonian designated it Jazz Appreciation Month. Through Mr. Jones' efforts, the State House and Senate passed a bill to officially declare April as Jazz Appreciation Month in the State of Arizona. Arizona is the first state in the country to do so.

Michael Patterson introduced himself as a Scottsdale resident, lawyer by day and bandmember in the evenings. Mr. Jones has invited Mr. Patterson's band to play in Jazz month events for the past three years. The marketing goals for the event are to provide tourists with a great reason to extend their stays. Marketing will include collaboration with Scottsdale Arts, Experience Scottsdale, Scottsdale Sister Cities, Arizona AARP, Visit Arizona and the Global Chamber.

Alfredo Molina introduced himself, stating that he supports 300 charities, including starting the Scottsdale polo match at WestWorld. He looks forward to exceeding the Jazz Festival attendance of 3,000 garnered at the Sedona festival. He discussed the art and passion for jazz in the United States.

Mr. Jones introduced Patrick Gilder, CEO, Design Delegate, who discussed the Google sponsored marketing grant for nonprofits. He also gave an overview of the marketing terms, including demographics and psychographics. Psychographics take a deeper dive behind the reason for individual preferences and habits of attendees.

Commissioner McKenzie asked about the vision for the event five years into the future. Mr. Jones said they would hope to expand the event to two to three days by that time and have a budget of \$300,000. They also envision being able to stream the event around the world in the next five years.

Commissioner McKenzie asked how many VIP tickets are expected to be purchased. Mr. Jones stated that they hope to sell 10 to 20 percent in this category. Funds received will benefit a scholarship program to provide instruments and instruction to students. The goal is to raise \$300,000 in the next five years.

Commissioner Alspaugh thanked the presenters for their presentation and their nonprofit and charitable efforts.

VICE CHAIR HILL MOVED TO RECOMMEND FUNDING IN THE AMOUNT OF \$30,000 FROM EVENT DEVELOPMENT FUNDS. COMMISSIONER NEWMAN SECONDED THE MOTION, WHICH CARRIED 6-0 WITH CHAIR DILLENBECK, VICE CHAIR HILL, COMMISSIONERS ALSPAUGH, HENRY, MCKENZIE AND NEWMAN VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

5. Experience Scottsdale First Quarter Performance Measure Report

Rachel Sacco, President and CEO of Experience Scottsdale, stated that the first quarter consists of work performed from July through September of the fiscal year. This summer, they completed their second annual campaign, "It's that Hot," to drive business to Scottsdale during the summer months. They have booked a number of meetings that will contribute to summertime business in the future. Promotional efforts through social media, email marketing, digital advertising, radio messaging and ads in ride-share vehicles garnered 28 million advertising impressions. Page views to the dedicated website have increased over 126 percent year over year. Click throughs to hotel partner websites increased 101 percent.

There was also a focus on the "need time" of October and November. This is the second year for promoting Scottsdale Contemporary Month, a collaboration between partners at the City of Scottsdale with Old Town merchants and the arts community in general. It centers around Canal Convergence and other events. There has been a collaboration between Taliesin West and the Saguaro Resort for Scottsdale Modernism Week and it is hoped that this partnership will continue. Results on this collaboration will be provided during the Second Quarter report. However, there have already been three articles published as a result of press trips focusing on Contemporary Month and Canal Convergence.

During the first three months of the fiscal year, 159 meetings have been booked, which will account for approximately 55,000 additional incremental nights into the Scottsdale area. Those room nights will provide an economic impact of \$24.4 million. Experience

Scottsdale has partnered with the City to assist City staff in promoting venues owned by the City, such as WestWorld, Scottsdale Sports Complex and Scottsdale Stadium.

In terms of communications during the first quarter, the communications team has assisted in generating 1,231 articles about Scottsdale. These articles are worth \$5.8 million in editorial value. The circulation of these articles is reaching an audience of 472 million.

The first quarter of the fiscal year includes a focus on product training. Experience Scottsdale staff meet with travel professionals, tour operators, travel agents, airline reservation crews and centers regarding how to best sell Scottsdale as a destination. During the first quarter, they have trained 733 travel professionals from 14 countries. As a result, they have generated 300 leads and services sent out to members and hotels to garner business from these travel agents and tour operators. In response to increased air service from the UK, Experience Scottsdale has been training and connecting with 140 UK travel professionals.

The upcoming second quarter report will include: An update of the new iteration of the Absolutely Scottsdale Advertising campaign as well as a new multilayered Los Angeles campaign.

Ms. Sacco highlighted the American Way in-flight magazine of American Airlines. Scottsdale is featured as the cover story under the title "Scottsdale: An Insider's Guide to Arizona's City on the Rise." It is a lengthy, 17-page feature. In addition, American Airlines will be showing a two-part video feature on Scottsdale during November.

Vice Chair Hill asked about any upcoming anticipated challenges. Ms. Sacco stated that the reports are somewhat conflicting. While there are rumors of a potential downturn, Scottsdale seems to be doing better than many competitors in the country.

6. Event Funding Program Recommendations

- a. Max Shacknai Soccer Invitational – \$5,000 – February 21-23, 2020
- b. USA Synchronized Swimming 2020 Age Group Trials – \$2,600 – January 18-20, 2020

Mr. Geiogamah stated that both events are participating in the Event Venue Fee program, which is based on room nights.

COMMISSIONER MCKENZIE MOVED TO APPROVE THE EVENT FUNDING AS PRESENTED. COMMISSIONER ALSPAUGH SECONDED THE MOTION, WHICH CARRIED 6-0 WITH CHAIR DILLENBECK, VICE CHAIR HILL, COMMISSIONERS ALSPAUGH, HENRY, MCKENZIE AND NEWMAN VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

7. Staff Reports

- a. Staff Bed Tax Collection Report**
- b. Staff Bed Tax Hotel Classification Report**
- c. Bed Tax Proforma**
- d. Program Updates**

Mr. Geiogamah reported that August bed tax collections were up 39 percent, however the collection period was five weeks. The year-to-date is up 22 percent. For hotel classifications, resorts are up 3.4 percent. Full service properties are down 8.3 percent. Limited services are up 8.6 percent. Other transient non-hotel is 54.2. A better comparison Other Transient non-hotel collection should be available in February. Miscellaneous retail tax collections were up 37 percent and restaurant was up 22 percent. The tax collection report is cash allocations received and could include late payments received.

The July year-to-date hotel classification report has resorts slightly up by 0.5 percent. Full service properties are down 18 percent. Limited is up 6.7 percent. Other transient non-hotel is up 44.3 percent year-to-date. In terms of accounting, they are starting to receive a fair comparison.

For proforma, there are no significant updates other than the International Off-Road Expo event funding approved by City Council last month for \$37,500. The Smith Travel report shows occupancy is up 1.5 percent with average daily rate remaining strong. For the segmented trend report, transient occupancy is 40.7 percent and group occupancy is up 3.7 percent. Group occupancy has increased over the past six months. Regional reports have been consistent over the past few months. The down trend in occupancy for the north region continues at 2.1 percent down, consistent over the past 18 months.

In response to a question from Chair Dillenbeck, Mr. Geiogamah confirmed that the regional report does not include Airbnb non-hotel.

In response to a question from Vice Chair Hill, Mr. Geiogamah stated that regional reports are not available from Smith Travel Research.

8. Public Comment

Public additional comments were provided.

9. Identification of Future Agenda Items

Mr. Geiogamah listed possible upcoming items, including potential funding by the Arizona Super Bowl Host Committee, and the FY2020/21 tourism program budget. Staff is in discussions regarding the NCCA Golf Tournament requesting New Event Development funds, which may be coming forward for Commission discussion next month. Vice Chair Hill expressed concern that Scottsdale may look like it is dragging its feet in terms of approval for Super Bowl. Karen Churchurch stated that the hope is they will be back in December or January with an update.

10. Adjournment

With no further business to discuss, being duly moved by Commissioner Henry and seconded by Vice Chair Hill, the meeting adjourned at 8:42 a.m.

AYES: Chair Dillenbeck, Vice Chair Hill, Commissioners Alspaugh, Henry, McKenzie, and Newman

NAYS: None

SUBMITTED BY:

eScribers, LLC